

NOTICE OF PROPOSED RULE ADOPTION

STATE OF MISSISSIPPI

Local Governments and Rural Water Systems Improvements Board

Local Governments and Rural Water System
Improvements Board
c/o William F. Moody
P.O. Box 1700
570 East Woodrow Wilson, Suite 232
Jackson, MS 39215-1700
(601) 576-7518
wmoody@msdh.state.ms.us

Specific Legal Authority authorizing the promulgation of
Rule: Mississippi Code Ann. § 41-3-16

Reference to Rules repealed, amended or suspended by the
Proposed Rule : The Draft FY-2010 Intended Use Plan

Explanation of the Purpose of the Proposed Rule and the reason(s) for proposing the rule: This will be the Draft FY-2010 Intended Use Plan which will show projects to be funded and the terms of the assistance.

This rule is proposed as a ☒ Final Rule, and/or a ☒ Temporary Rule (Check one or both boxers as applicable.)

Persons may present their views on the proposed rule by addressing written comments to the agency at the above address. Persons making comments should include their name and address, as well as other contact information, and if you are an agent or attorney, the name, address and telephone number of the party or parties you represent.

Oral Proceeding:

Check one box below:

☒ An oral proceeding is scheduled on this rule on Date: Friday, January 22, 2010 Time: 9:00 A.M.
Place: Mississippi State Department of Health
2423 North State Street (Underwood Building) U-232
Jackson, Mississippi 39215

If you wish to be heard and present evidence at the oral proceeding, you must make a written request to the agency at the above address at least five (5) days prior to the proceeding to be placed on the agenda. The request should include your name, address, telephone number as well as other contact information; and if you are an agent or attorney, the name, address and telephone number of the party or parties you represent.

☐ An oral proceeding is not scheduled on this rule. Where an oral proceeding is not scheduled, an oral proceeding will be held if a written request for an oral proceeding is submitted by a political subdivision, an agency or ten (10) persons. The written request should be submitted to the agency contact person at the above address within twenty (20) days after the filing of this notice of proposed rule adoption and should include the name, address and telephone number of the person(s) making the request; and if you are an agent or attorney, the name, address and telephone number of the party or parties you represent.

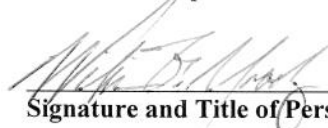
Economic Impact Statement: Check one box below:

- ☒ The agency has determined that an economic impact statement is not required for this rule, or
☐ The concise summary of the economic impact statement required is attached.

The entire text of the Proposed Rule including the text of any rule being amended or changed is attached.

Date Rule Proposed: December 22, 2009

Proposed Effective Date of Rule: February 22, 2010


Signature and Title of Person Submitting Rule for Filing

MEMORANDUM

Date: December 22, 2009

To: Mayors, Presidents of Boards of Supervisors, County Administrators, Presidents of Rural Water Associations, Consulting Engineers, and Other Interested Parties

From: James H. Craig, III, Chairman
Local Governments and Rural Water Systems Improvements Board

Subject: Drinking Water Systems Improvements Revolving Loan Fund (DWSIRLF) Program
Draft FY-2010 Intended Use Plan (IUP)

Draft FY-2010 Intended Use Plan and Potential Increased Funding to the DWSIRLF

By means of this memorandum, the FY-2010 IUP is out for public notice and review. The Local Governments and Rural Water Systems Improvements Board (Board) has established a public comment period on this document through January 22, 2010. Accordingly, written comments on this document must be received at the address below no later than 9:00 a.m. on January 22, 2010. Also, the Board will hold a public hearing at 9:00 a.m., January 22, 2010, in room U-232, in the offices of the Mississippi State Department of Health (MSDH), located at 2423 North State Street, (Underwood Building) in Jackson to receive written or oral comments on the Draft IUP. The Board will consider all comments timely submitted, regardless of the manner of tender.

The Draft FY-2010 Priority List, which identifies projects proposed to receive loan funding, is shown on page 24 of the Draft IUP. The Draft Priority List was developed based on the following assumptions of available funds: (1) the Federal FY-2010 appropriation for Drinking Water State Revolving Fund (DWSRF) is \$1.38 billion; (2) the potential Jobs Bill of 2010 appropriation for DWSRF is an additional \$1.0 billion; (3) the State of Mississippi's allotment percentage for both FY-2010 Standard Capitalization Grant and the Jobs Bill funds will be at 1.04% of each Federal appropriation, after deduction of Federal set-asides; (3) the required 20% state match funds for the FY-2010 Standard Capitalization Grant have been provided through general obligation bonds; and (4) there is no administrative fee.

The Draft FY-2010 IUP proposes a 1.95% loan interest rate on all FY-2010 projects; does limit loan applicants to only one loan during FY-2010; limits the maximum amount of any one loan to \$5.0 million; and contains a list of drinking water systems improvements projects to receive loan funds from the Drinking Water Systems Improvements Revolving Loan Fund (DWSIRLF) loan program that has been prioritized in accordance with criteria previously approved by the Board. Additionally, loans made from both the Standard Capitalization Grant and/or the potential Jobs Bill funds during FY-2010 will receive additional subsidization in the form of principal forgiveness, as long as the money is available. The amount of principal forgiveness is based on the system's median household income (MHI) vs. the State's MHI. Details on amount to be

forgiven per system are outlined on page 15 and listed on the priority and planning lists of the IUP.

The Board urges all applicants with projects on the FY-2010 Priority List to pay particular attention to Sections A. (pages 14-16) and D. of the Priority System (page 22) which establishes guidelines for the use of funds associated with the federal appropriations and certain deadlines for FY-2010 projects. These deadlines have been established to insure that funds are reserved only for projects that are proceeding in a timely manner toward loan award.

Potential loan recipients with projects shown on the FY-2011 and After Planning List are strongly encouraged to continue working on their projects. Additional funds may become available for award should funded projects fail to meet the established deadlines within the priority system. These released funds will be made available on a first-come-first-served basis to FY-2010 "catch-up" projects which proceed and meet all requirements for loan award in FY-2010. This is particularly important due to the **proposed funding timeline requirement that projects must be under construction or under contract by one year after the signing the bill (yet to be determined)**.

The DWSIRLF is expected to receive additional funding from the Jobs Bill in the amount of **\$10.0 Million** for loans to the State's water systems and set-asides. As stated previously, loans made with these funds will have a varying amount of principal forgiveness, so it is vital for ranked systems to get their project **"Ready To Go"** as soon as possible. It is anticipated that every loan will receive some amount of principal forgiveness up to half of the Jobs Bill allotment and 30% of the FY-2010 Capitalization Grant. Once that funding level is achieved, the program will resume with normal loan parameters. Furthermore, both grants require that 20% of the funds must go to the construction of "Green Infrastructure" as defined in EPA guidelines. To achieve this requirement, projects of higher ranking maybe by-passed by lower ranked projects.

If you are interested in a low interest loan for a project with potential principal forgiveness, you must **act quickly** to submit a ranking form and get started on your facilities plan in the event that additional funding is made available. The ranking form is available at the website listed below.

Systems having projects on the FY-2010 Priority List and Planning Lists must fill out the enclosed **"Green Infrastructure Project Detail Form"**, if they wish to be considered for funds with principal forgiveness and green infrastructure credit.

Copies of both the Draft FY-2010 IUP and the Detail Form are being mailed to those prospective loan recipients who have projects listed on the FY-10 Priority List or the FY-2011 and After Planning List, their consulting engineers, and those parties who have requested to have their names placed on the Priority System Mailing List. If you did not receive a copy of these documents, but would like one, you can download a copy from the MSDH website at www.healthymms.com/dwsrf, or contact Jennifer King at (601) 576-7518, and a copy or copies will be mailed to you.

We look forward to receiving your input on these documents. If you have any questions, or if we can be assistance, please contact Ulysses Conley at (601) 576-7518.

Enclosures